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AUTHOR Scrofani, E. Robert; And Others
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ABSTRACT

A series of responses to "The Global 2000 Report to the President" is presented. The Global 2000 Report examines the issues and interdependencies of population, resources, and environment in the long term global perspective (ED 188 935). According to the above report, if present trends continue, serious stresses of overcrowding, pollution, ecological instability, and vulnerability to political disruption will characterize the world by 2000 A.D. The Global 2000 Report presents no recommendations but does indicate the need for fundamental worldwide change. A number of questions are addressed in this response publication. First, "What do you consider to be the most critical problem(s) emerging from the report?" Responses indicate that the most critical problem is the land tenure question. Changing the relationship of the people to the land is the stuff of revolution--political, economic, and ethical. The problems of land tenure are not restricted to the underdeveloped world, but exist in the United States as well. A second question addressed is "How can the resources and talents in the private sector be better mobilized to address these problems?" We should divide up the wealth of the land more equitably. Many studies have shown that improvements in social and economic conditions reduce many of the pressures on the land. In Taiwan, for example, after a carefully articulated land reform program, population growth rates fell from 3.8% to 2.2%. Another example is the California Irrigation Districts which made cattle barons pay a tax or seek settlers for their idle and wasteful land. A third question addressed in the publication is "What actions should the President take?" A number of actions were suggested. The President should call a conference to examine the benefits of land value taxation and re-examine programs of military assistance and sales. The last question addressed is "What information or analysis is needed to form the basis for government and private planning?" Responses indicate that there is a crucial need for a national land price index. (Author/RM)

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GLOBAL 2000 REPORT - A Response to the Global Task Force on Resources and the Environment (Council on Environmental Quality)

by E. Robert Scrofani, Executive Director, Henry George School
833 Market Street Suite 1009
San Francisco 94103
(415) 362-7944

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

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1. What do you consider to be the most critical problem(s) emerging from the Global 2000 report?

The most critical problem emerging from the Global 2000 report is our failure to be just and worthy stewards of the land. The report has been described, and rightly so, as a "grim and troubling picture of the 21st Century." The major projections involve enormous population growth, a widening gap between the rich and poor nations, the destruction of forests, deterioration of agricultural soil, water shortages and extinction of planet and animal species.

That the land issue is crucial to all these issues is obvious. In the words of Henry George:

> If you would realize what land is, think of what men would be without land. If there were no land, where would be the people? Land is not merely a place to graze cows or sheep upon, to raise corn or raise cabbage. It is the indispensable element necessary to the life of every human being. We are all land animals; our very bodies come from the land, and to the land they return again.

The Global 2000 Report details the effects of the monopoly of land on our societies. The most critical problem of the Global 2000 Report is the land tenure question.

Anticipating the current North/South economic debate and the development crisis, Henry George in his great classic, Progress and Poverty, 100 years ago wrote:

> The masses of men, who, in the midst of abundance, suffer want; who, clothed with political freedom are condemned to the wages of slavery; to whose toil, labor saving inventions bring no relief, but rather seem to rob them of privilege, instinctively feel that " there is something wrong." And they are right.
>
> The widespreading social evils which everyplace oppress amid an advancing civilization spring from a great primary wrong, the appropriation as the exclusive property of some men, of the land on which and from which all men live. From this fundamental injustice flow all the injustices which distort and endanger modern development, which condemn the producers of wealth to poverty and pamper the non-producer in luxury.

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(2) 1) The most critical problem

A more recent restatement of the land tenure issue, almost foreshadowing the Global 2000 report is the June 1979 Worldwatch Paper, "The Dispossessed of the Earth: Land Reform and Sustainable Development" by Eric Eckholm a world authority on ecological problems.

> Many of the international community's widely shared goals - the elimination of malnutrition, the provision of jobs for all, the slowing of runaway rural-urban migration, the protection of productive soild and ecologically vital forests - are not likely to be achieved without radical changes in the ownership and control of the land. It is a delusion to think that the basic needs of the world's poorest people will be met without renewed attention to the politically sensitive land tenure question. It is even a greater delusion to think that the dispossed of the earth will watch their numbers grow and their plight worsen without protesting. The issue of land reform will not go away.

As Eckholm points out, the patterns of land ownership shape patterns of human relationships. They help determine the possibility and pace of economic change. To ignore the land tenure question, and in fact, not to give it the primary focus of the report will guarantee that the recommended policies of the Global 2000 report will fail.

Man has a continuous relationship to land, in agrarian as well as industrial socities, in poor as well as rich nations. Changing the relationship of the people to the land is the stuff of revolution - political, economic and ethical. Even in the most economically advanced countries landownership remains a significant souce of wealth and influence. Eckholm says:

> In the United States where only one in every 28 people live on a farm, changes in the size and ownership of farms are today generating questions about the implications for employment, resource use, and community welfare.
>
> In Africa, Asia and Latin America, where 3/4 of the world's people live, the control of farmland remains the principal key to wealth, status and power. Hundreds of millions of families are struggling to improve their lives through agriculture without secure access to the basis of agricultural life - farmland.

It is to this 3/4 of the world that the Global 2000 must direct its efforts. When a landless peasant is born in debt, dies in debt, who sees half of his children die before five, who live on the edge of survival, he will not be reconcilied to less than access to the land for his survival in the future. It is this issue we must deal with, and deal with in the 21st Century at home and in the world, or face the continuous hemorrhaging of nations.

The global development process has bypassed the landless laborers, sharecroppers, and marginal farmers who constitute the majority of the rural residents of the world.

(3) 1) The most critical problem

The problems of land tenure are not restricted to the underdeveloped world, but exist in the United States as well.

Impelled by farmers in the heartland of America, the Bishops of the region recently signed a report entitled "Strangers and Guests - a Regional Catholic Bishop Statement on Land Issues." The Bishops reiterated the Judeo-Christian land ethic from the Bible:

> Land must not be sold in perpetuity
> for the land belongs to me.
> And upon it you are only strangers and guests.
> Jerusalem Bible (25:23)

While the Global report concentrates internationally, the Bishops write of America's transformation to a great nation bounded by two oceans.

> As some people planted their roots deep in the soil, others were uprooted or denied land in which to establish roots. Some aspiring farmers found that the intent of our laws to provide abundant land for settlement had been subverted by speculators and greedy settlers who appropriated for themselves extensive tracts of land. Thus as is so often the case in human history, the prosperity of some was purchased at the expense of the suffering of others.

In speaking to the land tenure question, the Bishops reiterate that the "land is given by God to all people, not just for those who hold civil title to it." Pope Paul II stressed this point in Mexico in 1979 - "there is always a social mortgage on all private property, in order that goods may serve the general purpose that God gave them. The land is held in stewardship for humanity."

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2) How can the resources and talents in the private sector be better mobilized to address these problems?

We cannot divide the resources of the earth equally among the billions who will be here in the 21st Century and beyond. But we can divide up the wealth of the land more equitably so that individuals in society, as well as the entire private sector may solve the critical problems of mankind. Many studies have shown that improvements in social and economic conditions reduces much of the pressures on the land described in the Global 2000 report. In Taiwan, for example, after a carefully articulated land reform program, population growth rates fell from 3.8% to 2.2%. An extensive system of farm cooperatives provide credit, markets, and new technology. Not only have the farmers doubled their output, they have provided employment for rural dwellers, lessening the burden on the cities.

(4) 2) How can the resources of the private sector be better mobilized?

The productive farmers of Taiwan had gained access to their own land, a promise made a quarter century before by Sun Yat Sen. The productivity and the incentive generated by land being held in the hands of the tiller meant that the income of the lowest fifth of the population could increase. The ratio of income from the richest twenty percent to the poorest twenty percent decined from 15:1 in 1950 before land reform to 4.5:1 in 1969.

As James Grant former President of the Overseas Development Council and current Director of UNESCO stated:

> There is probably no country between Japan and Israel where there has been such an improvement in the material and social well-being of the little man, as in Taiwan, or where he has greater control over the important decisions affecting his immediate livelihood.
>
> The rural progress of the farmers has not been subsidized by taxes on the urban and industrial sectors but paid out of the farmer's increased productivity.

These results or similar ones have been generated by many different programs throughout the world, in free economies and planned economies. The Taiwan model is unique in that it employs many of the facets proposed by Henry George.

> The way to secure equality is plain. It is not by dividing the land. It is by calling upon those who are allowed possession of pieces of land giving special advantage to pay to the whole community, the rest of the people, and including themselves, to the whole people, a fair rent or premium for that privilege, and using the fund so obtained for the benefit of the whole people. What we would do would be to make the whole people the general landlord, to have whatever rent is paid for the use of land to go, not into the pockets of individual landlords, but into the treasury of the community, where it could be used for the common benefit.
>
> Rent is a natural thing. Where one man, all rights being equal, has but a piece of land of better quality than another man, it is only fair that he should pay into the common fund the value of the special privilege granted him by the community that is economic rent.
>
> But over and above the economic rent there is the power that comes by monopoly, there is the power to extract rent. The power to exact monopoly rent comes from the power to keep land idle, comes from the power to keep labor off the land. Tax up land to its full value and that power would be gone. The richest landowners could not afford to hold valuable land idle. Everywhere that simple plan would compel the landowner either to use his land or to sell out to someone who would.

(5) 2) How can the resources of the private sector be better mobilized?

The California Irrigation Districts, as they were originally conceived and implemented applied this strategy. As the result of a bill introduced by C.C. Wright in the legislature, small farmers could tax the land to pay for the construction of dams, canals and other irrigation programs. The law was written so that all "trees, vines, alfalfa, growing crops and all the buildings of whatever class or description" were exempted since it was felt to tax them would act to tax the industrious.

During the next ten years over one hundred irrigation districts were organized containing over four million acres. The feudal land intrests appealed to the courts time and again, objecting to this "confiscation." But the Supreme Court ruled on the side of the small farmer. The cattle barons, such as Henry Miller, had to pay the tax, or seek settlers for their idle and wasteful land. The average holding in these districts, Modesto and Turlock which contain about 250,000 acres is about 30 acres. The Wright Act by legitimate means had achieved a revolutionary transfer of land from the few to the many.

The private sector, from the small farmer to the industrialist could better serve man and mankind if we were free from the monopoly of resources which occurs in this country and in the world.

George argues as the Bishops do, that the gifts of nature were not made by any human. No landowner ever created an acre of real estate or a barrel of oil. No, George, argues, the resource owner gives his property no economic value, for of themselves they have no value.

The value of resources, and therefore owner's income, rises as human needs increase. Since resources are fixed in quantity the value of natural resources is created by the public.

As author David Hapgood (editor, FOCUS, the American Geographical Society) restates George:

> George believed the public need not hold the title to the resources of nature to collect the value that is the public's by right. If we simply view the resource owner as a tenant on <u>our</u> commons, the commons being the value we created, we can treat <u>him</u> as any landlord would: make him pay the rent in the form of taxes.

If we are to look for incentives for the private sector to serve mankind, while serving private interests we should consider the strategy of this resource tax. A natural resource "rental charge" would improve rather than distort people's incentives. Tax labor and people work less, tax savings and savings decline. But tax land and the supply remains the same, while the owner is forced to put it to more productive use.

This social contract recouping for society what rightfully belongs to it - would increase our access to the land, and permit more effective strategies for solving the horrendous problems outlined in the Task Forces Report to the President.

(6)

If the Global 2000 Task Force retains the paradigm that land tenure systems must gratify ownership without effort then its hopes for the future will be dashed on the record of the past. Inequitable land tenure systems which allow monopoly of nature's resources and denys access to the land to labor guarantee injustice, poverty and the accelerated population growth we see in all the underdeveloped countries.

(3) What new actions should the President take?

* It is imperative that the citizenry become knowledgable about the interrelationship of tax policies and land use and ownership.

* Since 42% of the total land of the United States is publicly held, our government has a rare opportunity to truly make our public lands, the "public commons."

* The President should instruct the Secretary of the Interior and the Bureau of Land Management to come up with a plan to provide for the conservation of this vast heritage while still gaining an equitable return from those of our citizens who use the commons.

* The President should instruct the Secretary of the Interior to use his extraordinary power to prevent the destruction of the land (such as in the process of strip mining) while the inhabitors on the land suffer its affects.

* The government should take all measures to lay claim to all minerals below the ground, and hold as the Minerals Leasing Act of 1920 requires that resources on the public land belong to everyone.

* The government should aggressively pursue the ceding of excess or unused lands once given as grants to railroads and others, back to the public domain.

* The President should use a resource tax on fossil fuels while they are still in the ground to motivate the owner to dig the stuff up and sell it.

* The President should review decisions of the regulatory agencies so that those who seek licenses (such as for radio and television, limited and scarce resources) must bid for the privilege, and those privileges be auctioned to the highest bidders, thereby capturing substantial amounts for society.

* In developing highway plans, water projects, pollution cleanup, the President should seek legislation which would recoup some of the publicly created value to pay for the project. An idea that was workable for the Erie Canal should be re-examined for all public projects.

(7) (3) What actions should the President take?

* The President should call a conference to examine the benefits of land value taxation to help alleviate the enormous and destructive cost of land speculation in this country, and abroad.

  Such a conference should examine the effects of even modified forms of land value taxation in Pittsburg Pennsylvania and other cities, the California Irrigation districts, and benefit assessment districts in the many states.

  The conference should illuminate the gigantic transfer of values from public bodies to private individuals, an act which the New West magazine called "printing money for private profit," in its examination of the values to be created by the California Water Plan.

* The President should request that all government agencies dealing with foreign grants, gifts, technological exchange, food programs, report on the effect of land tenure systems in those nations. The President should seek to make other nations self-reliant and independent of the United States and other nations. A common land tenure proposal should be communicated to all our agencies, as a strategy for implementing change for the poorest people in the lands enunciated in the Global 2000 Report.

* The President should ask independent agencies to demonstrate how they can best serve the nations and peoples of the world. Foreign aid, as recent studies show, often aid the richest and leave the landless millions, landless and often powerless. The President should re-examine all food aid, and other aid programs.

* The President should re-examine programs of military assistance and sales - four times the development project aid to the Third World - which are used to further entrench elite-dominated and repressive governments.

* The President should examine U.S. government-supported corporate interventions into the economies of the Third World. Such investments subsidized with our tax dollars, help ruling elites to expand their monopoly control over local resources.

* If the President is to make hunger our major focus in dealing with developing countries as the President's Hunger Commission recommends, the President should examine all foreign policy programs, and the extent to which they contribute to the failure of the people to have access to the land.

* The President should instruct the Secretary of State and his other cabinet members that the Global 2000 predictions will become reality, if they do not propose policies to break the monopoly of the earth lords in this country and abroad.

(8) (4) What information or anaysis is needed to form the basis for government and private planning.

In the crucial area of land tenure and land planning, the absence of a land price index limits the economic analysis of the effects of increases in land values. A national land price index is needed.

Response of Philip Finkelstein, Director Henry George School of Social Science
5 E. 44th Street N.Y.C. NY 10017 212-697-9880

A major gap in the research and information needs of our country and the world is in the knowledge of land tenure and value. Who owns the earth? How much is it worth? These seemingly naive questions are seldom asked, let alone answered. Yet the very raising of these issues could have the most profound impact for good on global problems generally and specifically those raised by this report.

We therefore propose that a major effort of Global 2000 be directed toward providing answers to these questions through a unique world-wide participation. Let every community, every political subdivision in every country over the face of this earth report, to the best of its ability, who are the people who own the land and natural resources within these jurisdictions and have them approximate what they are worth. There are, of course, problems of standardization and data handling in such massive geographic census but these can be overcome by modern information technology and resources. The effort alone could mobilize support and awareness for these concerns on a broad international base otherwise inaccessible. The information, when compiled and published, could help us all understand and apply the remedies we seek.

Robert McNamara: President of the World Bank

Public expenditures on weapons research and development now approach $30 billion a year, and mobilize the talents of half a million scientists and engineers throughout the world. That is a greater research effort than is devoted to any other activity on earth, and it consumes more public research money than is spent on the problems of energy, education and food combined.

Presidential Commission on World Hunger

American technology reduced to a minimum the time required to deliver bombs across the world but women in areas of Asia and Africa must still walk several hours each day for the family water and fuel supplies.

538A Chenery Street
San Francisco, CA 94131
September 25, 1980

Khristine L. Hall, Asst. Dir.
Global Task Force on Resources
And The Environment
Ex. Office of the President
Council on Environmental Quality
722 Jackson Place N.W.
Washington, DC 20006

Dear Ms. Hall:

This response to the Global 2000 Report is respectfully submitted to the Global Task Force on Resources and the Environment by members of the New World Alliance, New Age Caucus, and the ad hoc committee for Women, Earth, and Economic Power:

While the Global 2000 Report addresses international problems and issues, many of the same critical problems are emerging in the United States. These problems deal with responsible stewardship of the land and the equitable access to the land by the citizens of this nation. Just as the peasants throughout the lesser developed nations are deprived of the land and its gifts, the majority of Americans no longer have access to nature's wealth.

What is needed is a new land ethic. The land and natural resources of this earth rightfully belong to all members of the human family. Uneven distribution means that some people have custody over resources vitally needed by others. In almost all cases this has meant inequity, injustice, hunger, and deprivation. We must be careful to distribute nature's bounty so that all may benefit.

In America today 70% of our population lives on 2% of the land, while 3% of the population owns 95% of the private land. The land in America has not been used up it has been bought up. It has not vanished under excessive population densities, it is simply owned by fewer and fewer people. Land prices, which have been raising more rapidly than any other element in the economy, are largely ignored in government statements about inflation and indeed are ignored by the Global 2000 Report. Yet land is the key element in the skyrocketing price of both housing and food.

The concentrated private ownership of land restricts rural alternatives. Lack of access to affordable land combined with unemployment and scarcity of housing creates a vicious cycle which drives increasing numbers to the inner city where they often find poverty, despair, and federal welfare. Like an underdeveloped nation, the poorest 20% of the population owns only 4% of the wealth while the richest 20% owns 46%. In fact, the income distribution in the US today is about the same as that of India. (Statistics from the World Bank Atlas, 1977 and World Economic & Social Indicators, World Bank, April, 1978.)

While much of our nation's land is held inaccessible and out of production, every day over four square miles of prime farmland is shifted to non-farm uses. Urban sprawl characterized by leapfrogging developments is devestating America's countryside while 60% of city land is often vacant or underused, according to a study by the National League of Cities.

The Year 2000 Report ignores the economic consequences of our tax policies, yet in most of our cities misguided tax policies work to encourage land speculation (a condition which the Task Force deplores) and discourages more appropriate and efficient use of the land.

Public lands constitute a vast and valuable natural resource comprising 42% of the total land in the United States. Tragically, this fantastic natural heritage has suffered from commercial exploitation and mismanagement by the Bureau of Land Management. Public lands are common lands and they should meet the needs of all the people of the United States.

The land is the vital context of all problems - urban and rural. A just system of land tenure is essential to ending unemployment, underemployment, and wage slavery. By guaranteeing equal access to the land for everyone, laborers and tenants alike will once more be given the opportunity of going to the land for survival. In the past, when land has been available to the masses, adequate wages have been available in urban areas. Without the land as the alternate occupation, wages often fall to marginal levels.

The following 13 Point Program is submitted for consideration by the Task Force to guide its proposals for the survival of America to the year 2000 and beyond:

1. The federal and state governments should make good public land available, on a lease or land trust basis, to citizens' groups that want to build and live in energy conserving, ecological, cooperative communities and farms, thereby effectively and responsibly using our natural resources.

2. The present use of huge corporate land holdings should be studied by citizen groups in order to determine their contribution to social well-being.

3. Federal price support programs for agriculture should be phased out. The Internal Revenue Code should be changed to discourage "tax loss farming" by absentee owners and corporations in competition with genuine family farmers. The deduction of farm losses from nonfarm income should be eliminated.

4. The following methods should be implemented, singly or in combination, to promote equity and justice on agricultural lands receiving water from Federal irrigation projects:
   a. End the taxpayer subsidy and go on the principle that the user pays.
   b. Establish a land value tax system, similar to the Wright Act which was implemented in the 1930's in California's Modesto-Turlock region.
   c. Encourage farmworker cooperatives in which farmworkers have equity and decision making power.

5. States and municipalities should implement land value taxation, where the tax burden is removed from improvements and transferred to land. Land Value taxation allows society to recapture values created by public investment, encourages the work of industry and improvement, and promotes a broader distribution of land ownership.

6. Local and city governments should experiment with "enterprise zones" where the accumulated burden of governmental requirements and taxation is drastically reduced to encourage new entrepreneurial, job-creating activity. Within such zones land value taxation would replace customary land and buildings taxation.

7. The Federal Government should compile and publish a comprehensive register of land ownership and a national land price index.

8. Land Use Councils should be established on local levels, composed of citizens representing business, labor, consumers, land owners, and the unemployed. The Councils, in coordination with appropriate government agencies, would determine the wise use and just ownership of the land, and make adjustments of the land situation so that buyers and sellers alike would be treated fairly.

9. Energy resource development on federal lands should be used to facilitate the transition to a high-efficiency, renewable-energy oriented society. However, the extraction of such resources should be undertaken with strict regard for the environment, water resources, and surface restoration, and the federal government should receive substantial royalties.

10. Depletion allowances for nonrenewable natural resources should be phased out.

11. Public timberlands and grazing lands should be leased out competitively to companies, homesteaders, and cooperatives which pledge to manage the resource on a long-range, sustained-yield basis. The government would retain overall supervisory rights, claim reasonable lease fees, and terminate leases managed in unwise or environmentally unsound ways.

12. The Interior Department, in coordination with local citizen land use councils and state resource agencies, should reexamine the railroad land grants and mineral leases of the 19th century and require strict compliance with their terms, on pain of rescission to the public domain.

13. Land treaty claims of native Americans and other ethnic minorities should be promptly and justly settled - by land grants where practical, and by immediate cash payments otherwise. Present territories should be honored and guarded against encroachment and expropriation. The preservation of the land bases of our nation's ethnic minorities must be maintained so that their cultural expression can flower.

Respectfully submitted,

Alanna Hartzok

Alanna Hartzok
Representing the New World Alliance, the New Age Caucus, and the ad hoc committee for Women, Earth, and Economic Power